

State Commercial Tax Credit Application Fees

The Division of Historic Preservation shall charge an application fee for each rehabilitation project that is submitted to the Division. Application fees for a single rehabilitation project are as indicated below:

Qualified Rehabilitation Expenditures (QREs)	Part 2 Fee, based on <i>estimated cost of rehabilitation</i>	Part 3 Fee, based on <i>qualified rehabilitation expenditures</i>
Up to \$100,000	\$250	None
\$100,001 - \$500,000	\$250	1.5% of credit amount, minus Part 2 fee
\$500,001 - \$1 million	\$500	1.5% of credit amount, minus Part 2 fee
\$1,000,001 - \$3 million	\$1,000	1.5% of credit amount, minus Part 2 fee
\$3,000,001 - \$6 million	\$2,000	1.5% of credit amount, minus Part 2 fee (\$15,000 cap)
\$6,000,001 - \$15 million	\$3,500	1.5% of credit amount, minus Part 2 fee (\$15,000 cap)
\$15,000,001 +	\$5,000	1.5% of credit amount, minus Part 2 fee (\$15,000 cap)

A decision will not be issued on an application until the appropriate remittance is received. Fees must be submitted by check, made payable to the Louisiana Division of Historic Preservation. You must reference your project's address and assigned project number (if available).

For a project that had a Part 2 and/or Part 3 received by the Division of Historic Preservation prior to September 20, 2014, no additional fee will be required. All Part 2 applications received on or after September 20, 2014 will have fees assessed according to the schedule above.

Calculating the Application Fees

The formula below will utilize information reported on both the Part 2 and Part 3 application forms. The letters in parentheses correspond to their respective place in the formula used to calculate fees, as defined:

- (A) Qualified Rehabilitation Expenses as reported in Section 2 of the Part 3 – Request for Project Certification
- (B) Amount of estimated credit
- (C) Total project application fee
- (D) Previously submitted Part 2 application fee
- (E) Part 3 application fee

Calculating the Part 2 Application Fee (D)

Estimated QREs up to \$100,000	\$250
Estimated QREs \$100,000 to \$500,000	\$250
Estimated QREs \$500,001 to \$1 million	\$500
Estimated QREs \$1,000,001 to \$3 million	\$1,000
Estimated QREs \$3,000,001 to \$6 million	\$2,000
Estimated QREs \$6,000,001 to \$15 million	\$3,500
Estimated QREs \$15,000,001 +	\$5,000

Calculating the Part 3 Application Fee

Final QRE (A) \$ _____ x 25% or (0.25) = (B) \$ _____

This is the amount of estimated credit.

Amount of estimated credit (B) \$ _____ x 1.5% or (0.015) = (C) \$ _____

This is the total project application fee (capped at \$15,000).

Total project application fee (C) \$ _____ minus Part 2 fee previously submitted (D) \$ _____ = (E) \$ _____

This is the Part 3 application fee.

Examples

Example 1:

Parts 1 and 2 were submitted on September 22, 2014. The estimated cost of rehabilitation was **\$3.1 million**. Construction was completed and the building was placed in service on December 31, 2014. The final qualified rehabilitation expenditures were **\$3,400,072**. The non-qualified rehabilitation expenditures were \$434,987. The Part 3 was submitted January 13, 2015.

Total application fee (C): \$12,750.27

Part 2 application fee (D): \$2,000

Part 3 application fee (E): \$10,750.27

Final QRE (A) \$ **3,400,072** x 25% or (0.25) = (B) \$ **850,018**

This is the amount of estimated credit.

Amount of estimated credit (B) \$ **850,018** x 1.5% or (0.015) = (C) \$ **12,750.27**

This is the total project application fee (capped at \$15,000).

Total project application fee (C) \$ **12,750.27** minus Part 2 fee previously submitted (D) \$ **2,000** = (E) \$ **10,750.27**

This is the Part 3 application fee.

Example 2:

Part 1 was submitted on June 23, 2012, and was approved on July 22, 2012. A Part 2 was submitted on November 13, 2014. The estimated cost of rehabilitation was **\$78,000**. Construction was completed and the building was placed in service on March 20, 2015. The final qualified rehabilitation expenditures were **\$89,312** and non-qualified rehabilitation expenditures were \$1,432. The Part 3 was submitted April 5, 2015.

Total application fee (C): \$334.92

Part 2 application fee (D): \$250

Part 3 application fee (E): \$84.92

Final QRE (A) \$ **89,312** x 25% or (0.25) = (B) \$ **22,328**

This is the amount of estimated credit.

Amount of estimated credit (B) \$ **22,328** x 1.5% or (0.015) = (C) \$ **334.92**

This is the total project application fee (capped at \$15,000).

Total project application fee (C) \$ **334.92** minus Part 2 fee previously submitted (D) \$ **250** = (E) \$ **84.92**

This is the Part 3 application fee.

Frequently Asked Questions

1. *How are project costs determined?*

Project costs must be provided on both the Part 2 and the Part 3 of the application. The provided costs should be the "Qualified Rehabilitation Expenditures" (QREs) pursuant to section 47 of the Internal Revenue Code (as referenced in R.S. 47:6019). In the unlikely case that the Part 2 and Part 3 application forms are received at the same time, the application fee will be assessed on the qualified rehabilitation costs reported on the Part 3.

2. *I submitted Part 1 of my application prior to September 20, 2014. Will I need to pay a fee?*

There is never an application fee assessed for a Part 1. The applicable fee schedule is determined by the date the Division of Historic Preservation received Part 2 of your application, not the Part 1.

3. *I submitted my Part 2 prior to September 20, 2014, but I'm submitting my Part 3 after this date. What will I need to pay?*

There will be no additional fee assessed. If the Division of Historic Preservation received a Part 2 application prior to September 20, 2014, an additional Part 3 fee will not be required.

4. *I overestimated my total project costs when I submitted my Part 2. How will my Part 3 fee be calculated?*

If qualified rehabilitation expenditures reported on the Part 3 application are lower than the estimated cost of rehabilitation on the Part 2 application previously submitted, then the Part 3 portion of the application fee will be based on the costs reported on the Part 3. No refund of the Part 2 fee difference, if any, will be made.

5. *I underestimated my total project costs when I submitted my Part 2. How will my Part 3 fee be calculated?*

If the qualified rehabilitation expenditures reported on the Part 3 application are higher than those reported on the Part 2 application, then the Part 3 portion of the fee will be 100% of the application fee less the Part 2 portion of the fee previously paid.

6. *How are fees assessed for functionally-related complexes?*

For a project involving multiple buildings that were functionally related historically pursuant to 36 CFR pt. 67, the application fee will be based on the qualified rehabilitation expenditures of the entire project. Examples of this would be: townhouse and service wing; residential building and garage; and, farmhouse, barn, and other outbuildings.

7. *How are fees assessed for phased projects?*

For a phased project, the application fee will be assessed for each phase based on the QREs of that particular phase. For example, a three-phase project is submitted. Three Part 2 applications are submitted, each describing a unique phase of the project with the corresponding estimated cost of rehabilitation for each phase. Three separate application fees will be submitted to the Division of Historic Preservation, each based on the estimated cost of rehabilitation for each phase. The corresponding Part 3 for each phase will have the application fee assessed on the qualified rehabilitation expenditures for that respective phase.

8. *My project has changed substantially and a new Part 2 application is required. Will I be required to pay a new Part 2 application fee?*

Yes. Projects requiring the submittal of a new Part 2 application will be assessed a fee according to the table effective September 20, 2014. No refunds or credits toward a new application will be issued for the fees paid prior to the new Part 2 application.